

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6727

BILL NUMBER: SB 421

NOTE PREPARED: Jan 18, 2014

BILL AMENDED:

SUBJECT: Professional Licensing Matters.

FIRST AUTHOR: Sen. Head

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: *License Applications-* The bill provides that certain applications for a professional license may not be denied if the applicant was charged or convicted of a criminal offense two years prior to the date of application. The bill makes an exception for denial for certain crimes.

Committee Replacement- The bill replaces the Regulated Occupations Evaluation Committee with the Jobs Creation Committee (JCC).

Certain Professional Funds- The bill provides that the funds from certain professions may be used by that profession's board to pay for the administration expenses of the profession.

Course Work Provision- The bill removes the 1,500 hours of course work that must be offered by a beauty culture school and provides that the school must meet the requirements set by the State Board of Cosmetology and Barber Examiners.

State As Additional Insured- The bill removes the requirements that a home inspector's, massage therapist's, private investigator firm's, or security guard agency's insurance list the state as an additional insured entity.

Nonresident Pharmacy- The bill requires a nonresident pharmacy to submit an inspection report from the applicant's home state.

Nonresident Brokers- The bill changes the requirements that a nonresident broker must meet to be waived of requirements for a license.

Non-USA Veterinary Graduates- The bill allows a graduate from a foreign college of veterinary medicine who has a Program for the Assessment of Veterinary Medical Education Equivalence certificate to meet the qualification of graduating from an accredited college of veterinary medicine for purposes of certain licensure exemptions and for applying for a veterinary license.

Funeral & Cemetery Service- The bill provides that the State Board of Funeral and Cemetery Service (Funeral Board) has 180 days to investigate a verified complaint. (Current law provides for a 60-day investigation.)

Preneed Consumer Protection Fund- The bill gives the Funeral Board discretion to order restitution from the Preneed Consumer Protection Fund (Preneed Fund).

Controlled Substances Data Fund- The bill allows money in the Controlled Substances Data Fund (CSDF) to be used for the administration of the INSPECT program. (Current law allows money to be used for the operation of the INSPECT program.) The bill makes a technical correction.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *License Applications-* This provision may increase the workload of the Professional Licensing Agency (PLA) in order to process additional license applications. PLA staff would have to confirm if a person is eligible to have the license based on the time since that person was convicted of or charged with a crime. This would not apply to persons convicted of certain crimes such as homicide, human and sexual trafficking, or any sex crimes. It is likely the PLA would be able to carry out this provision within their existing level of staff and resources.

Committee Replacement- This provision would shift the administrative responsibilities of the renamed Jobs Creation Committee (JCC) from the PLA to the Office of Management and Budget (OMB). As a result, the PLA would have a reduction in expenditures and the OMB would have an increase in expenditures in order to assume the administrative responsibilities of the JCC. The bill would provide for the cost of the JCC to be paid from appropriations to the OMB.

Additionally, the Committee's name change would increase expenditures in order to replace signage and letterhead on official documents. There may be some additional expense to transfer the web page of the Committee to the OMB web page domain.

Since its inception, the Regulated Occupations Evaluation Committee has met 18 times. Total Committee per diem and travel reimbursement was \$1,616 during that time period. Additionally, PLA expended \$7,078 in existing staff salary cost to administer the Committee. All Committee costs have been paid from the PLA's existing level of resources.

Certain Professional Funds- This provision would allow the following funds to be used to carry out the duties of the following licensing boards/commissions. The table below presents the funds, and the current uses and FY 2013 ending balance of each fund.

TABLE A. Professional Dedicated Fund Usage

Fund Name	Fee Basis/Rate	Current Usage	Balance as of 6/30/2013
Funeral Service Education Fund	\$5 of License Fee	Educational Projects, Supplement funding for Inspection Program of License Holders	\$16,725
Impaired Pharmacists Account	\$5 at time of Renewal Fee Payment	Rehabilitation of Impaired Pharmacists	\$633,095
Plumbers Recovery Fund	Surcharge when fund balance goes below \$330,000	Payment of adjudicated settlements, Compensation of staff assistance from the Attorney General	\$501,816

Course Work Provision- The Cosmetology/Barber Board would set minimum standards for cosmetology school course-hours by rule. There may be a need to revise the application form for a cosmetology school. With nearly every state form being online, it is likely only electronic revisions would be required of the form.

Nonresident Pharmacy- This provision may increase the administrative responsibility of the PLA staff to review additional inspection reports. It is likely the PLA would be able to carry out this provision within existing resources.

Nonresident Brokers- This provision should have minimal, if any, impact on state expenditures. Any changes the Real Estate Commission may need to make to comply with this provision likely could be accomplished within a regular scheduled business meeting of the Commission.

Preneed Consumer Protection Fund- The bill would give the Funeral Board the option (instead of requiring it) to order the Auditor of State to make restitution from the Preneed Fund. It would also allow the Funeral Board an extra 60 days to investigate complaints of funeral service contract default. Any additional expenditures from the Preneed Fund would depend on future Funeral Board action.

Controlled Substances Data Fund- Current law allows for the CSDF to cover the costs of “operation” of the INSPECT program. The bill would allow for the CSDF to instead cover the costs of the “administration” of the INSPECT program. Any impact to future CSDF expenditures would depend on any additional financial needs that may arise to ‘administer’ instead of to ‘operate’ the INSPECT program. The CSDF had a balance of \$271,644 at the close of FY 2013.

Explanation of State Revenues: *License Applications-* There may be an increase in license fees collected by the PLA as a result of this provision. The amount of additional revenue this provision could generate is indeterminable and would depend on the number of convicted or charged persons eligible to receive a license.

State As Additional Insured- This provision would reduce the state’s ability to recover investigative or other costs of enforcement from a license holder’s insurance. However, certain listed investigative costs can be recovered from an entity if so ordered by the board during the issuance of a cease and desist order.

Non-USA Veterinary Graduates- If more persons were allowed to hold a veterinarian license via the PAVE

program, those newly qualified applicants would pay the fees for licensure, which would increase revenue to the state General Fund. The additional revenue this provision could generate in future years is indeterminable. A PAVE certification allows a graduate of a nonaccredited veterinary school to qualify for licensure in licensing jurisdictions of 39 states of the United States, Australia, and New Zealand.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency; various state licensing boards and commissions; Indiana Office of Technology.

Local Agencies Affected:

Information Sources: Ben Evans, Legislative Director, Professional Licensing Agency; Auditor's Account database; <http://www.aavsb.org/PAVE/>.

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